

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

May 06, 2009

MOTOR CARRIER MATTER

☐

DOCKET NO.

2008-251-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

DOCKET NO. 2008-251-E - Application of Carolina Power and Light Company d/b/a Progress Energy Carolinas, Incorporated for the Establishment of Procedures for DSM/EE Programs - A Hearing was Held on Thursday, February 12, 2009. This Matter is Ready for Final Disposition.

COMMISSION ACTION:

In my opinion, a recovery mechanism for energy efficiency and demand side management programs offered by a utility should be transparent, reasonably understandable, and consistent with South Carolina Code Ann. Section 58-37-20. Progress Energy and the Office of Regulatory Staff agreed upon a cost recovery mechanism and have presented a Stipulation of such to the Commission. After studying the Stipulation I am convinced that Progress' proposal meets these goals consistent with South Carolina Code Ann. Section 58-37-20 by proposing that the Company: (1) recover capital expenditures; (2) recover the actual costs incurred in providing demand side management and energy efficiency programs; (3) recover net lost revenues from these programs; (4) recover incentives equal to 8% of the estimated net savings of demand side management programs as well as 13% of efficiency programs; and (5) defer and amortize all demand side management and efficiency program expenses over a 10 year period. Additionally, I believe that Progress's and ORS's proposal will not result in windfall profits, and will provide transparency to rate payers, with the unamortized balance of the deferred account earning a return equal to Progress's overall weighted average net of tax rate of return authorized in its last rate case. However, I believe that, as an additional regulatory safeguard, the Commission should review and approve Progress' energy efficiency and demand side management programs before they take effect.

I move that we approve the Stipulation for Progress's demand side management and energy efficiency programs. However, I also move that Progress must submit specific programs, including the initial slate of programs, to the Commission for approval as if they were experimental tariff filings. Unless considered necessary to make findings of fact and/or determine conclusions of law with regard to the programs, the Commission would not anticipate the need for hearings as part of the program approval process.

PRESIDING: FlemingSESSION: RegularTIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Not Voting</u>

Commissioner Wright was attending a Platts Nuclear Conference in Bethesda, Maryland the day of the hearing

(SEAL)



RECORDED BY: J. Schmieding